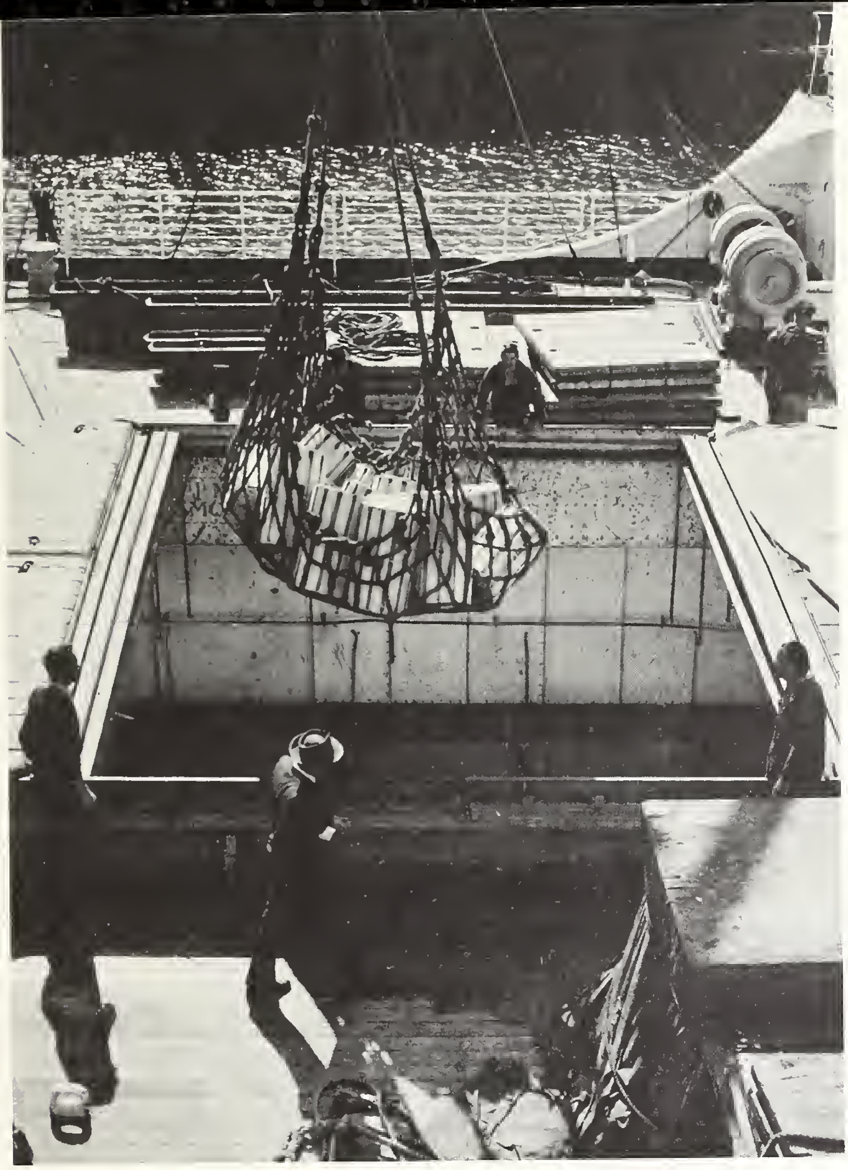

JANUARY 11, 1965

HIGHLIGHTS OF THE 1965
WORLD AGRICULTURAL SITUATION

NEW ZEALAND'S CHANGING
FARM TRADE POLICY

THE JAPANESE SILK INDUSTRY

FOREIGN AGRICULTURE

Including FOREIGN CROPS AND MARKETS

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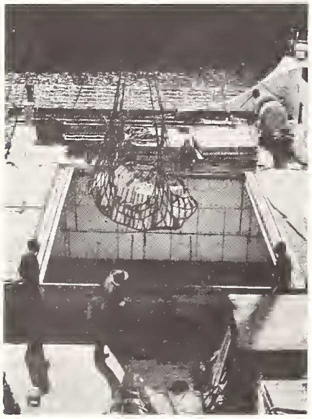

Cheese being loaded for export at Wellington, New Zealand. A strong export demand for this and others of the country's farm products is forcing New Zealand to make a difficult choice between markets. (Story p. 5.)

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Highlights of the 1965 WORLD AGRICULTURAL SITUATION

World output of major farm commodities in 1964-65 varied widely from the year before. Wheat, up 10 percent, and sugar, up 11 percent, dominated commodities showing gains. Principal among those showing declines were coffee, down 24 percent, feed grains, down 3 percent, potatoes, down 5 percent, and meat, down 2 percent.

World wheat production recovered from the 1963-64 dip and moved to a new record exceeding 9 million bushels.

The rice crop, forecast at over 164 million metric tons (excluding Communist Asia), is up slightly from last year's harvest, but is not sufficient to keep pace with the rapidly increasing populations in the rice-consuming countries.

The decline in feed grains stems largely from the drought-reduced U.S. corn crop and from a lesser reduction in the world outturn of oats. Output, estimated at about 332 million metric tons, is about 8 million below the record tonnage of 1963-64.

Vegetable oil record expected

Output of both soybeans and peanuts set new records. Peanuts were up 7 percent, and soybeans 2 percent. Copra, another leading oil-bearing material, was down 2 percent, while olive oil production fell more than one-fourth from last year's record volume but was above the low outturn of 1962-63. For 1965, world vegetable oil production is estimated at 19.6 million metric tons, slightly above 1964's record.

World sugar output has tended to lag behind consumption in recent years, largely because of reduced Cuban output. However, world production in 1964-65 climbed 11 percent to an estimated 65.7 million short tons, an alltime record. Producers in many countries expanded output in response to favorable prices and a favorable market outlook; also, weather conditions and acreage increases stimulated larger production in Eastern Europe.

There was a record crop of cotton—51.7 million bales. Jute was up 1 percent; sisal increased slightly; and wool remained static.

Tea and cocoa output moved up moderately, continuing the recent upward trend. But the 1964-65 coffee crop, badly damaged by frost and drought in Brazil, was down nearly one-fourth to slightly under 52 million bags.

Output of livestock products in 1964 was probably no greater than in 1963. Meat production in 44 major producing countries was down 2 percent last year, but because of increased hog slaughter in Western Europe, it is expected to be up again during the first half of 1965 in most regions except the Soviet Union.

World tobacco production in 1964 totaled about 4.4 million metric tons (9.7 billion pounds), a record high.

No drop in world trade

World agricultural trade in 1964 probably equaled or exceeded the 1963 level. Although exports of some major items, especially wheat and sugar, appear to have declined, exports of most others, including feed grains, oilseeds, oils and fats, fruit, meat, whole milk products, beverages, and tobacco, are estimated at or above 1963.

Substantially increased wheat shipments were made late in 1963 and early 1964, following poor harvests in Western Europe and the USSR. With recovery in output last year, Western Europe's import needs in 1964-65 are likely to be restricted to strong wheat for blending with indigenous wheat, while the USSR is expected to limit imports to a relatively small amount from Canada. Thus, U.S. and Canadian wheat shipments for 1964-65 are expected to decline significantly.

Though feed grain exports may not reach record levels in 1964-65, they are expected to contribute substantially to the maintenance of world agricultural trade. Western Europe, the major importing region, will probably take more feed grains than in 1963-64, mainly because the poor Spanish harvest last year increased Spain's import needs. Japan, an increasingly large market for feed grains, is also expected to import more this season. The United States will probably again supply at least half of world shipments.

The sugar trade fell in 1963 because Cuba, no longer the largest producer but still the largest

exporter of sugar, cut back its exports by 31 percent. A further drop in the sugar trade probably occurred in 1964 because of considerably reduced U.S. import needs.

Partly because cotton stocks in importing countries have been built to high levels, the world cotton trade for 1964-65 may decline slightly from the near-record peak of the year before, probably reflecting a decline in U.S. shipments.

A record volume of oilseeds, oils, and fats moved in trade channels in 1964, when the total, oil equivalent basis, exceeded the 1963 level by 4 percent. There were significant gains in exports of U.S. soybeans, soybean oil, tallow, lard, and cottonseed oil, and a sharp rise in exports of Mediterranean Basin olive oil. These increases were accompanied by a sizable decline in exports of sunflowerseed oil, primarily from the USSR, and a further reduction in supplies of Antarctic whale oil. Soybean exports from Mainland China, which in 1962 dropped to a modern-day low, increased slightly in 1963 and 1964.

Free World exports of leaf tobacco moved at record rates in 1964, reflecting stock building, increased export availabilities of oriental leaf, and large movement from the Rhodesian flue-cured crop.

The 1965 World Agricultural Situation, from which these highlights were taken, may be obtained from the Division of Information, OMS, USDA, Washington, D.C. 20250.

Morocco's Trade Changing As More Goods Go to Sino-Soviet Area

Morocco belongs to an area of the world that has a rapidly increasing population rate coupled with a low rate of production of food commodities—to the extent that instead of increasing its per capita food supply, recent years have shown somewhat alarming decreases.

Agriculture is the most important single factor in the country's economy, accounting for 30 percent of the national income. Per capita income is only $162.00 per year, but this is a somewhat deceiving figure in any developing country because of the large amount of commerce done in the rural areas by barter. Employment is much below the capability of the work force.

Morocco's $389 million worth of exports in 1963 were composed chiefly of mineral and agricultural products. However, despite this large component of agricultural commodities in the export trade, more than half of the $448.7 million of imports in 1963 were either agricultural commodities or finished and semifinished textile goods.

To be more specific, of the components of the foreign trade of Morocco, the principal commodities for export are citrus fruits, fresh vegetables, wines, pulses, almonds, eggs, canned fruits, seeds, tobacco, wool, and cotton. The import commodities of greatest importance are sugar, tea, coffee, vegetable oils, oilseeds, animal fats, fruits, nuts, and dairy products. In some years, the irregularity of production has led to the importation of large quantities of food grains, and, in fact, an imbalance in the production of wheat types has made Morocco a net importer of wheat.

Trade shifting eastward

Significant changes have occurred in Morocco's foreign trade since it gained independence from France in 1956. Although France and other members of the European Economic Community dominate Moroccan trade, their position, especially as markets for Moroccan products, is not so strong today as in the early days of independence.

One of the reasons for this shift has been the development of new restrictions through the Economic Community. Another cause has been the active effort, including some subsidies, to diversify trade outside the area which comes under the French franc influence.

Significant in the change of trading pattern has been a gradual but steady increase in the volume of exports to the Sino-Soviet Bloc. As a result of this shift, the Bloc countries have become Morocco's second most important overall trading partner.

During the first quarter of 1964, Morocco's trade balance swung from a deficit of $9.3 million during the first quarter of 1963 to a trade surplus of $1.2 million. The most notable shift in this trade balance occurred with the Common Market countries, with which Morocco had a $9.8-million trade deficit during the first quarter of 1963 and a trade surplus of $9.3 million in 1964.

Morocco's balance of payments position, however, continued to show a deficit in spite of the favorable balance of commodity trading. Several reasons are advanced for this unfavorable foreign balance position, the most important of which is probably the export of capital by departing Europeans or by foreign owners of Moroccan enterprise.

U.S. second as food supplier

What does this situation mean in terms of U.S. commercial sales and in terms of competition?

Of the total imports of around $45 million from the United States in 1963, almost half were agricultural commodities, classified as follows:

	Value *Mil dol.*	Type of import
Hard wheat	7.3	AID donation
Soybeans	.3	Dollar sales
Soybean oil	7.7	P.L. 480, Title I, and dollar sales
Tallow	1.7	Dollar sales
Leaf tobacco	2.6	$0.3 million, P.L. 480 $2.3 million, dollar sales
Cotton	2.3	Dollar sales
Total	21.9	

Of this total, it is noted that one-third was grant, about one-third Title I, and one-third dollar purchases, The United States is today second only to France as a supplier of Morocco's import needs, but we face strong competition from the Bloc and, because we have such a favorable balance of trade with Morocco, it is difficult to hold our present position on a commercial basis.

Potentially, Morocco may become a strong competitor in European and Asian markets as well as in the rest of Africa in commodity fields, such as fruits and vegetables, livestock and meat, cereals, and cotton. This, though, is likely to be far in the future in view of the present scarcity of trained people and the pressures of population on total food supplies.

—W. Gordon Loveless
U.S. Agricultural Attaché, Rabat

Harbor scene at Auckland, New Zealand

New Zealand Seen Edging Back To One-Market Trade Policy

By DONALD J. NOVOTNY
U.S. Agricultural Attaché
Wellington

Recent shifts in world agricultural trade have put New Zealand in the uncomfortable position of having to choose between its traditional export policy of relying heavily on the British farm market and a fairly new, and so far successful, one of diversifying trade.

For years, New Zealand has marketed most of its agricultural products in the United Kingdom, which is generally the world's largest buyer of the type of products New Zealand has for sale. Expectations that the United Kingdom would join the European Common Market, however, gave New Zealand cause to reappraise this policy, the general feeling being that Britain's joining the EEC could hinder Commonwealth trade with that country. As a result, New Zealand began to seek out new markets, with the plan of sending additional farm exports to these areas while maintaining existing trade levels with the United Kingdom.

In the few years that it has been in operation, this diversification plan has progressed amazingly well, and today, opportunities are better than ever for New Zealand to supply new countries, develop new loyalties for its known brands, and build what might be a more stable and broadly based pattern of exports.

However, the conditions prompting this change have been altered somewhat. The United Kingdom did not join the EEC, and currently no one is sure whether or when it will. Then too, that country has reversed an earlier trend of importing less farm products, and in the last year has been importing more than ever before. Now, even though New Zealand's exportable surplus has increased steadily, the country is finding it more difficult to develop new markets and still retain its position in the growing British market—a problem which could result in New Zealand's returning to its former one-market policy.

New Zealand a unique country

This dilemma—in essence having too many willing buyers—is accentuated by New Zealand's heavy dependence on agricultural trade. Its farm output accounts for 23 percent of the gross national product and 95 percent of total exports. (New Zealand is believed to have the world's highest per capita foreign trade—$719.)

Most of these farm exports fall into the category of animal products which are subject to extreme variations in world demand and prices and which until recently were bought by only a small number of importing nations. By far the largest importer has been the United Kingdom.

The problem is further complicated by the fact that New Zealand's per capita income is one of the world's highest and the income of its farmers, probably the highest too. In fact, New Zealand is thought to be the only country where farmers' incomes clearly exceed those of non-farmers.

To protect the income of its farmers as well as the economy of the country as a whole, New Zealand has had to work diligently to maximize its farm industry. While current world demand for New Zealand's products appears buoyant the country is having to look to the future and choose the type of trade policy that will insure continued success in selling its farm products abroad.

Trend toward centralization

In recent years, there has been a strong feeling that marketing efficiency can best be obtained through centralized

Left, modern milking shed on a dairy farm in Auckland Province, and, above, sheep farming in North Canterbury, South Island. These two industries are big earners of foreign exchange for New Zealand.

control of New Zealand's refrigerated produce, and there has been steady progress in this direction. Authority for such control is vested primarily in a series of broadly empowered quasi-governmental produce boards.

The Dairy Board, for example, although basically cooperative in structure, has developed to the stage where it is the sole export sales agent for New Zealand's dairy product exports. The Meat Producers Board, meanwhile, has long chosen to refrain from using much of its vast power, and though it has gained stature as a representative body, spokesman, negotiator, and promoter in behalf of the industry, it has only recently seen fit to become more directly involved in export sales agency activity.

The trend toward centralization simply grew out of a desire to increase the meat and dairy industries' respective bargaining power through highly organized overseas buyers and ocean shipping companies. More recently (especially since the uncertainty of the possibility that Britain might join the EEC), a feeling has developed that national and industrial interests require not only strong bargaining strength aimed at maximizing short-run returns, but also more control over the pattern and flow of exports. New attention to this area of marketing problems has given rise to such phrases or concepts as "orderly marketing" and "market management," which suggest greater coordination, planning and control.

"Orderly marketing" is a phrase that applies to most activities that are designed to reduce various seasonal instabilities and to eliminate unnecessary disruption of markets in importing countries. It seeks a maximum return from a single given market, while "managed marketing" looks more toward maximizing returns from an optimum combination of different markets. In effect, market management begins by choosing between alternative markets.

Market diversification is tried

This managed market concept was put into effect in the early 1960's, with the start of a serious campaign to maximize sales outside the United Kingdom.

The results of this policy shift are naturally difficult to appraise, but available data strongly suggest that, prior to about mid-1963, considerable progress was made. For example, exports of meat, especially beef, to markets other than the United Kingdom rose steadily between 1958-59 and 1962-63, while beef shipments to the United Kingdom dropped sharply, in terms of both value and percent of total. New outlets were found mainly in the United States and Canada, but a large market for mutton was developed in Japan and encouraging results were also obtained in other new areas.

The dairy industry, too, made encouraging progress by switching to the production of more milk powders and casein for which were found a number of markets outside the United Kingdom. Sales of cheese to other markets also rose substantially, but success in finding new outlets for New Zealand butter was rather limited.

The overall proportion of meat exports shipped to countries outside the United Kingdom is estimated to have risen from 19.4 percent in 1956-57 to 38.5 percent in 1962-63. In the same period, cheese and dried nonfat milk exports to markets other than the United Kingdom rose from 19 percent to 28.

Complications arise

Until mid-1963, the drive toward market diversification was widely supported. The effort was made easy by the fact

Loading powdered milk (left) and tallow (above) for export. Bulk tanks seen here have been used for only 2 years but now account for half the country's tallow exports.

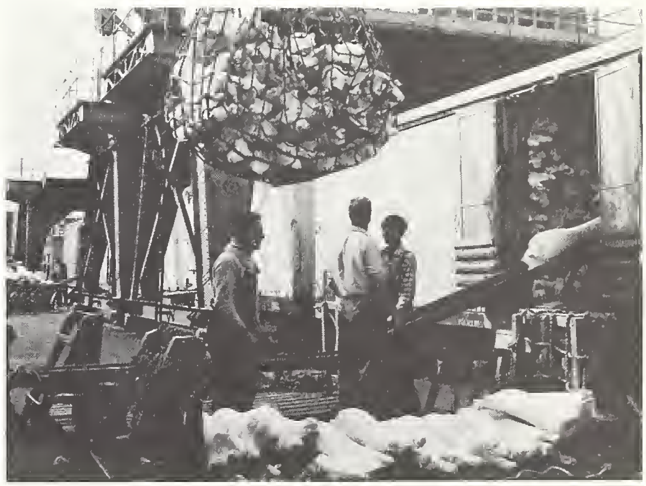
that the market for New Zealand meat and dairy products in the United Kingdom had been declining somewhat. But a pickup in British trade later in that year and in 1964 put diversification in an entirely new light.

For the first time in conflict with maintenance of New Zealand's long and carefully cultivated share of the British market, diversification suddenly became far less attractive and its value came into doubt. Accordingly, New Zealand in the last year began striving to protect its position in the United Kingdom, with the result that shipments to new markets have in some cases been cut back, and exports of meat and dairy products have tended to revert back to the United Kingdom.

During the past year, exports, especially of dairy products, to countries outside the United Kingdom could have been much larger, with little or no significant difference in returns, were it not for the return to favoring the United Kingdom. Instead, the United Kingdom's share of New Zealand's meat and dairy exports reversed the earlier downtrend and rose from an estimated 69.6 percent to 71.8, while the volume of both meat and dairy exports to markets other than the United Kingdom declined by about 2.7 percent.

Present indications are that the United Kingdom will again be a favored market outlet for New Zealand's major exports in 1964-65, but the policy of market diversification should not be entirely ruled out for New Zealand, particularly with the increased living standards and shortages of meat supplies that have developed in certain West European countries.

Picture on right side of page 6 was supplied by Robin Smith Photos. The others are courtesy of the National Publicity Studio and the Wellington Harbor Board.



Center, frozen mutton carcasses enclosed in traditional stockinette bags are loaded on ships going to Japan. Above, car holds New Zealand apples, which are popular in the European markets.

Making microscopic check of silkworm moths

Japanese Silk Industry Recovering from 1963 Price Crash

Japan's silk industry appears to be emerging from the economic doldrums that it got into during 1963 after a dramatic price rise followed by an equally dramatic collapse of raw silk prices on the Yokohama and Kobe Raw Silk Exchanges.

Most of the industry's economic problems since then have centered around the export market, which in calendar year 1963 took considerably less Japanese raw silk than in the previous year. Although raw silk prices have stabilized at a low level under the equivalent of $5.67 per pound (4,500 yen per kg.), foreign buying remains slow. Domestic consumption, however, through May had risen to its highest level since 1961.

Government actions help stabilize prices

This partial recovery in demand for Japanese silk can be laid, in part, to emergency measures taken by the Japanese Government after the 1963 crash.

One step was to increase government stocks of raw silk—which had dwindled to almost nothing during the early 1960's—when demand for silk was rising. These will be used as buffers against any future wide price fluctuation, the government adding to them in times of glut and selling part of them when supplies are tight and prices up.

In addition, the Japanese exchanges have been forced to take action to prevent excessive speculative activity, and officials for the time being have set aside plans to raise the support price on raw silk from the current $5.04 per pound (4,000 yen per kg.) to $7.56 (6,000 yen).

It is hoped that these steps, plus an anticipated increase in world demand for silk, will help to bring back to Japan's silk industry the prosperity it enjoyed during the early 1960's.

In those years (1959-62), demand for Japanese silk and silk fabrics rose steadily. Production of raw silk remained almost stable; large domestic usage and exports absorbed existing surplus stocks; and raw silk prices on the Yokohama and Kobe Raw Silk Exchanges began to rise.

Demand drops but prices spiral

By 1962, the upward trend in silk consumption came to a halt, having been checked by the steady increase in prices, and demand dropped off by about 5 percent in that and the next year.

But the raw silk price went right on increasing; the spot price on 2A 20/22-type silk on the Yokohama Exchange went from a 1962 average of $5.84 per pound (4,631 yen per kg.) to $7.56 (6,000 yen) in January 1963 and to around $8.19 (6,500 yen) in March. Although worried about the possibility of temporarily losing customers and aware that speculators were helping to drive the price up, the Japanese trade felt confident about the industry's future. They believed that the sharply increased production costs of recent years justified the price gain and that the early 1963 level was one that would and should continue in coming years.

In addition, they felt that new Exchange procedures, such as requiring buyers to pay 100 percent of the silk purchase price instead of the usual 10 or 20 percent, and to register their names when making purchases, would slow speculation.

Neither this tightening of Exchange procedures nor the trade's enthusiasm, however, could prevent a dramatic price rise, to $9.58 per pound (7,600 yen per kg.) on June 25, 1963, and then a market crash the following day on a wave of profit-taking by speculators. In just 2 days, after that historic high had been reached, the raw silk price had plunged $1.89 (1,500 yen)—the beginning of a decline that was to continue throughout that year and well into 1964.

Reelers take heavy losses

Effects of the price disruption were many. Export trade during 1963 fell some 25 percent from the 1962 level. At

the same time, an important segment of the sericulture industry—the silk reelers—found their profits trimmed dearly by a system, introduced in 1962, tying the prices paid to sericultural farmers for cocoons to the prevailing average raw silk prices on the Exchanges.

The new system called a "ratio-distribution system" had been formulated by the Raw Silk Association and the Sericultural Association (farmers' cooperatives) to assure sericultural farmers a fair return and thereby spur production. Under it, prices paid to farmers for their cocoon crops amounted to about 80 percent of the average raw silk prices on the Yokohama or Kobe Raw Silk Exchanges over a 14-29 day period, depending on local prefecture regulations. Various June dates were chosen by the prefectures as the middle of the sales period for spring cocoons, and averages were taken on prices before and after these dates.

Silk reelers were therefore forced to buy their spring cocoons at the inflated averages taken in June, just before the crash. Since their raw silk did not come up for sale until several months later, many of the reelers were caught in a disastrous price squeeze when the spot price on raw silk fell. Those who could do so held off their silk in hopes of getting better returns later on, causing a large buildup of stocks. In the late fall of 1963, when the price had stabilized somewhat at a level below $6.30 (5,000 yen), some of these reelers began moving their stocks to market, but their inventories even then were about one and a half times the normal level. Partly because of these disruptions, raw silk production was off 9 percent in 1963.

Returns to farmers vacillate widely

Sericultural farmers made windfall profits during the period of high prices, but their returns have since dropped considerably. In addition, the government's decision not to go through with former plans to raise the support price to farmers could mean a continuation of these low returns. In fact, some of the trade predicts that if the minimum support is not raised above $5.04 per pound (4,000 yen per kg.), production will drop off gradually, as other industries with better wages draw workers out of sericulture.

Whether the Japanese sericultural farmers can maintain production will probably depend on their ability to modernize. Officials are currently discouraging part-time cocoon production in favor of full-time large-scale operations. One incentive to increase efficiency is an award, given yearly by the Center for Increased Cocoon Production to the two sericultural cooperatives that have attained the highest yield of cocoons, through raising either land productivity or labor productivity.

Demand likely to increase

While raw silk production is not expected to rise materially in the future, demand for silk as a prestige fiber should grow in line with increasing purchasing power.

In the export market, the gains will most likely be in Western Europe—a fast-growing market for Japanese raw silk and to some extent, silk fabrics. Biggest buyer there is Switzerland, whose raw silk purchases in 1962 were more than 20 times the 1956 level; others are France and Italy. Demand in the United States—which accounts for over 50 percent of Japan's raw silk and silk fabric exports—appears to have leveled off, and any significant increase in imports here is unlikely.

Japan's main competitors in the European markets are Korea and Mainland China. The age-old worry of the Japanese silk industry is that Mainland China—onetime center of world silk culture—will return to its former place but the possibility of this coming soon is slight.

Today, Japan's exports of raw silk account for only about 20 percent of its total production; however, a similar percentage of the silk fabrics produced in Japan is sent into export channels, making world demand for silk an important indicator of the future direction of the Japanese sericultural industry.

Common Market Countries Decide on Unification of Grain Prices

When the European Economic Community's Council of Ministers, meeting at Brussels in mid-December, made its long-delayed decision to unify grain prices throughout the six Common Market countries, it ended one of the most controversial issues in the history of the EEC. The prices the Ministers agreed to are similar to those in the November 1963 "Mansholt I" proposal by the EEC Commission (see *Foreign Agriculture,* July 13, 1964). They go into effect for the 1967-68 marketing year.

The new price levels represent a lowering of the relatively high grain prices in West Germany—the EEC's major importing country—and a raising of the lower prices in France—the major producing country. It is around the spread between these two price levels that the unification controversy has centered. As a result of the decision, West German wheat prices to producers will likely be lowered 10 percent, but French prices to producers will be increased as much as 20 percent from current levels. German producers, however, will be given compensatory payment to offset the effect of the lower prices on farm income. The price decision came partly as a result of General Charles DeGaulle's insistence on a decision by the end of 1964.

For soft wheat, durum wheat, and for rye, the basic target prices (representing the wholesale level) will be $106.25, $125.00, and $93.75 per metric ton, respectively —the same as under the Mansholt Proposal. For barley and corn, at $91.25 and $90.92, the price level will be somewhat lower. The recent agreement also provides for certain levy reductions on Italian corn and barley imports and a subsidy payment on the production of Italian durum wheat.

For Germany, the new wheat target price is 10.6 percent lower than its own former target price, and the barley price 11.4 percent lower. For France, the new target prices represent rises of 6.0 and 9.6 percent, respectively.

French producer prices, however, will rise substantially more because of expected elimination of taxes and other assessments on French producers. These taxes now average approximately $11.00 per metric ton for wheat and $7.50 for barley. Their elimination, even without any increase in target prices, would increase returns to farmers by about 14 percent for wheat and 11 percent for barley. The U.S. total price increase to French producers may reach 20 percent.

U.S. Food Exhibit at Hotel and Catering Show To Lead Off 1965 Promotion in United Kingdom

A Midlands exhibit—the 5th Northern Hotel and Catering Show, Blackpool, February 22-27—will launch major U.S. food promotions in the United Kingdom this year. Seven U.S. commodity groups and FAS will participate in the Blackpool show for the first time.

One of the largest of its kind in the United Kingdom, the catering show affords an excellent opportunity to demonstrate the availability, uses, and quality of U.S. foods in institutional packs. The growing number of institutional buyers in Britain form an important purchasing group, and their response to the U.S. exhibit at the 1964 International Hotel and Catering Show in London—where they made over 1,000 trade inquiries—led to FAS participation at Midlands.

A demonstration theater seating 75 persons serves as focal point for the U.S. exhibit which, with 4,000 square feet of display space, is the show's largest. Here a leading U.S. chef, Eddie Doucette of the Independent Grocers' Alliance, will put the finishing touches on dishes for audiences of caterers drawn from the entire Midlands—one of Great Britain's most important industrial and commercial sections. Foods to be prepared, either solo or in combination, are raisins, prunes, rice, poultry, cranberries, lard, and soya products.

The exhibit will include individual commodity booths and a conference lounge where visitors can take a closer look at the U.S. products being promoted and make contact with their British agents or importers.

Special food demonstrations utilizing the latest catering techniques will be given by invitation only before selected members of the institutional trade. Aimed at four specific groups—the restaurant and hotel, cafeteria, school, and catering wholesale businesses—the demonstrations will point up the versatility and economy of U.S. foods in serving large numbers of people. The exhibit will be open to the public each afternoon.

Participating will be: the California Prune Advisory Board, California Raisin Advisory Board, National Livestock and Meat Board, Cranberry Institute, Soybean Council of America, Rice Council for Market Development, and the U.S. poultry industry's International Trade Development Board.

The United Kingdom is the largest market in Europe for U.S. agricultural products and the third largest U.S. world market. In the first 9 months of 1964, the value of U.S. farm exports to the U.K. market was $288 million.

Grand Champion Steer and U.S. Girl Who Raised Him To Star at Berlin

The grand champion steer of the 1964 International Livestock Exposition in Chicago—accompanied by Janet Perring, the 15-year-old 4-H Club girl from LeRoy, Ill.,

who raised him—will be the feature attraction of the U.S. exhibit at the annual Green Week fair in West Berlin, January 28-February 6. The joint appearance is expected to attract major attention from Fair visitors and German news media.

This will be the first time in the 65-year history of the famous Chicago livestock show that its grand champion animal has been exhibited outside the North American Continent.

Donated to the U.S. Department of Agriculture by the Central National Bank of Chicago (which had purchased the prize winner for $17,500), the Angus steer will give most Berliners their first view of a highly finished beef animal yielding a grade of meat highly desired in the United States.

Berliners will have further opportunities to associate quality with U.S. meats at a restaurant featuring top grade U.S. steaks and roast beef, a typical American hamburger stand, and a modern retail self-service meat market selling U.S. meats. Canned meats will be extensively displayed.

Sharing the U.S. exhibit will be leather and leather goods and twice daily showings of the latest in leather wearing apparel and accessories sponsored by the Tanners' Council—and an exhibit by the U.S. Feed Grains Council.

Arranging the champion's "passport" to Berlin are (l-r) J. P. Hartman, FAS livestock official, Janet Perring, and F. E. Bauder, Central National Bank president.

S. S. Steiner, Inc., Gets "E" Award Recognition For Contribution to Export Sales of U.S. Hops

S. S. Steiner, Inc., of New York—one of the United States' largest growers, processors, and exporters of hops—received last month the Presidential "E" Award for substantially expanding export sales of American hops. In presenting the award to Mrs. Louis S. Gimbel, Jr., chairman of the board, and Julius Steiner, company president, Under Secretary of Commerce Franklin D. Roosevelt, Jr., noted that the United States is now the world's chief hops producer and exporter, selling approximately half of its production on the foreign market.

Fred Lampe, assistant vice president and manager of Steiner's export department, outlines factors which helped Steiner, Inc., achieve a major position in one of the world's most keenly competitive markets.

S. S. Steiner has been promoting hops since the turn of the century. Even so, before World War II, European hops dominated the world market; American hops had limited export outlets. At the end of the war, we launched an intensive sales effort abroad in the belief that foreign brewers would buy the fine quality hops available in America. Second, and equally important, we worked with independent growers, our own hop farmers, and the U.S. and State Departments of Agriculture to research new strains. Today, the quality of American hops is second to none.

As a result, our exports picked up and now represent a sizable percentage of total sales. We sell to all of Latin America, Canada, almost every country of Western Europe, many African nations, as well as to Japan and the Philippines.

Top level personal contact

In order to obtain foreign distribution, we found from experience that results are best when we have one of our top executives make the initial contact with the prospective customer. This is particularly true in Latin America, where we also found that a knowledge of Spanish greatly improves customer relations.

In almost all instances, it facilitates business to maintain a local representative in each country or group of countries in which we sell. The local representative must be a good businessman, well thought of in the community, and trained in the brewing industry. This system works well in Latin America. In Western Europe, we have our own independent affiliated companies. Whenever advisable, we join local chambers of commerce or their branches in New York—for example, the German-American Chamber of Commerce.

Regular followup

Steiner also arranges for followup visits by a key executive from the head office to all its export customers at least once a year. These visits are usually made with the local representative. The calls are of prime importance because they afford a chance to review past deliveries, book additional business, and discuss problems regarding packing, delivery, or quality. Occasionally we contact brewers who have not used American hops and are skeptical about making a purchase. In this case, we arrange to send a few bales free to make a trial brew so that a brewer can determine for himself the advantages of American hops.

Extending credit is one of the keystones to establishing and expanding our exports—especially in Latin America. Because of competition from other hop-exporting countries, this credit normally takes the form of selling on open account. Usually, invoices are due in 30 to 60 days. This is a heavy burden for the exporter, but some Latin American countries are unable to obtain dollars to pay their obligations except on a credit basis extending from 30 days to 12 months.

We have set up rigid quality control procedures to assure our customers of high quality and shipment in accordance with their specifications.

In order to keep a check on the moisture content of hops we have collaborated with an instrument manufacturer on a moisture meter and bale probe which indicates on a calibrated scale the moisture content of the hops by measuring the di-electric constant. This permits us to determine when the hops are properly dried or whether remedial action is required.

Quick servicing of claims

Another important service we give our overseas customers is to expedite claims should damage occur to the hops during shipment. Our Quality Control Department obtains reference samples of shipments before they leave the States. When a claim arises, we can compare the pre-shipment sample with the damaged hops, run a chemical analysis to prove that damage has occurred, and thus help process the claim with the insurance company quickly.

One of the principal reasons for our

Under Secretary of Commerce Franklin D. Roosevelt, Jr., (center) presents "E" banner to officials of S. S. Steiner, Inc.: (l-r) Fred Lampe, Louis S. Gimbel III, Mr. Roosevelt, Mrs. Louis S. Gimbel, Jr., and Julius Steiner.

success in promoting the export of American hops is undoubtedly that our prices are lower than those for foreign hops. They are lower because our research with Federal and State agricultural departments has developed more efficient growing and harvesting methods. The U.S. hops crop is now entirely machine picked. Over the past 10 years, despite the increasing cost of labor and material, American hops are still advantageously priced.

Promoting seedless hops

The change from seeded hops to seedless hops is also an important factor which has contributed to worldwide acceptance of American hops.

The bulk of the U.S. hops crop—approximately 88 percent—is now seedless, but before World War II most of it was seeded, which meant the customer had to pay for a large proportion of extraneous material—up to 18 or 20 percent seeds. We have encouraged and promoted the growing of seedless hops since it suits foreign buyers' requirements.

Another project we initiated has been the reduction of metal fragments in machine-picked hops—the result of metal picking fingers which sometimes break away and fall into the hops. We devised, in cooperation with an American manufacturer, a method to magnetically eliminate these metal fragments. In addition, we have developed several methods of packing and packaging to reduce costs and protect flavor during overseas shipment.

Improved packing methods

We can recompress standard hop bales to reduce volume by approximately one-half, thus affording our export customers considerable savings in charges for freight.

After experimenting with various packaging materials, we came up with a laminated burlap and a type of polyethylene especially adapted to protecting hops from excessive heat and moisture when shipping to the tropics. Occasionally we recommend to customers that the hops be placed in steel drums and that the air inside be evacuated and replaced by carbon dioxide or other inert atmosphere to protect against deterioration.

When there is danger of particularly rough handling on docks and piers, we place hops in steel drums using a round die to press the oblong bales into cylindrical shape so that they will fit the drums better.

Plans Underway for World Cotton Promotion

World cotton producing and consuming countries reached major decisions recently at a meeting in Paris to consider the initiation of an international promotion program by the producing countries.

It was proposed that the United States and Latin American countries next meet to discuss the plan further. Any decisions made at this meeting would be reported to the other producing countries to determine the need for regional meetings of producers in other parts of the world.

The large number of countries represented at the meeting in Paris—36 of ICAC's 40 members—is evidence of the growing concern with which cotton producing and consuming countries view the stepped-up competition from manmade fibers.

During the past 10 years, cotton's share of world fiber consumption has declined from 67 percent to 57 percent, with the result that world cotton stocks are close to a new postwar high of 6 million bales.

Government and industry leaders believe that with aggressive promotion and research cotton may be able to regain some of the markets lost to manmades.

While delegates from producing countries were not in a position to say whether their governments would participate financially in the program, important decisions were reached regarding the method of collecting promotion funds, and the structure of the organization that would operate the program.

Exporting countries would decide for themselves how funds are to be collected, whether by government appropriation, or levies on exports or production. Assessments would be based on exports to a marketing area —say Europe and Japan—and levies would be computed at the rate of $1 per standard American bale.

As to the administration, delegates are proposing to set up a central organization made up of representatives from participating cotton exporting countries, with voting rights based on the size of their contributions to the central fund.

A management board, consisting of a member from each general region, would decide how funds are to be spent, with the stipulation that promotion funds of at least the amount contributed by the exporters be generated in the importing countries.

Initial campaigns would be limited to selected parts of Western Europe and Japan, where the competition from manmades is most intense and where marketing opportunities are greatest.

This framework and division of costs generally correspond to a pilot promotion now being carried out in the Netherlands by Cotton Council International in cooperation with FAS and the Dutch Cotton Institute.

CCC Export Credit Program Revision Becomes Effective

The Commodity Credit Corporation Export Credit Sales Program has been revised to provide deferred payment terms in connection with certain agricultural commodities exported from private stocks. Previously, export credit arrangements were available only for commodities in CCC inventory or tobacco under loan to CCC.

Under the program announced recently, exporters who ship from private stocks will receive an Export Commodity Certificate (CCC-341) for an amount equal to the port value of the commodity. Also, exporters may ship from private stocks although the same commodity is available from CCC.

Commodities from private stocks which are now eligible for export credit include wheat, wheat flour, bulgur, corn, cornmeal, barley, oats, rye, grain sorghums, Upland and American Egyptian cotton, tobacco, milled and brown rice, dry edible beans, cottonseed oil, and soybean oil.

Provisions of the previous CCC Export Credit Sales Program have not been changed, except that exports from private stocks may be made under existing approved credit applications. Sales of commodities in CCC inventory and tobacco under loan to CCC will continue to be made at export prices determined by CCC.

Applications for credit under the revised program can be submitted, as before, to the office of the General Sales Manager, Foreign Agricultural Service, U.S. Department of Agriculture, Washington, D. C. 20250.

U.S. Poultry Exports Increase

U.S. exports of poultry meat for January-October 1964 amounted to 193.4 million pounds, 14 percent over those in the same period of 1963 and about 81 percent of the record 239.2 million shipped in January-October 1962.

Shipments to the EEC during the first 10 months of this year totaled 101.7 million pounds, or nearly 53 percent of total U.S. exports of poultry meat; West Germany accounted for about 84 percent of these shipments. Through October of this year, trade with the EEC was 28 percent ahead of that in the same period a year earlier but only 61 percent of the record 165.6 million pounds exported to that area in January-October 1962.

U.S. exports of poultry meat to markets outside the EEC are continuing strong. Through October of this year exports to Japan totaled 9.4 million pounds, up nearly 87 percent from a year earlier; and those to Canada were up 60 percent to 11.7 million pounds. Also, trade with Hong Kong was up 22 percent while U.S. shipments to Peru have nearly tripled. In contrast, U.S. exports to Switzerland and Austria continue to decline, due mainly to competition from subsidized exports by Common Market countries and Denmark.

Sweden's Butter Exports Smaller

Sweden sold less butter in foreign markets in the first 9 months of 1964 than in the comparable period of 1963.

Sales so far this year, at 13 million pounds, are 2 million less than a year ago. Reduced purchases by the United Kingdom—from 8 million pounds to 5 million—and by Italy—from 2 million to 101,000—accounted for the 11-percent decline. There was an appreciable increase in trade with Switzerland—4 million pounds in contrast to 421,000 pounds during January-September 1963. East Germany again became a market for Swedish butter in this period, purchasing 1 million pounds, but no sales were made to Czechoslovakia, which a year ago took 1 million pounds.

U.K. Revises Grain Production and Import Estimates

The U.K. Ministry of Agriculture, in its second estimate of grain supplies and requirements for 1964-65, has cut the figure for domestic wheat production by 100,000 tons from the first estimate, and has raised that for coarse grain production by an equal amount. The wheat figure now stands at 3.6 million long tons and the coarse grains one at 9 million. (See *Foreign Agriculture,* Dec. 14, 1964.)

The Ministry has not increased its estimate of wheat import needs to compensate for the expected reduction in the domestic crop. It did, however, change its figure for import requirements of coarse grains; it made a cut of 100,000 tons, to 4 million.

The provisional forecast for total U.K. supplies of wheat and wheat flour (in wheat equivalent) is now 7.7 million tons. As of the end of October, the total of actual imports and forward purchases of wheat and wheat flour amounted to 2.17 million tons, leaving 1.93 million still to be purchased for delivery before June 30, 1965. At the same time of year in 1963-64, only 760,000 tons were still outstanding. For coarse grains, the corresponding figures are 2.08 million tons imported and announced as purchased, with 1.92 million outstanding (2 million were outstanding at the same time last year).

Senegal's Rice Imports Increase

Senegal's rice imports in January-July 1964, totaling 74,400 metric tons, were 30,000 tons more than in the same period of 1963.

The trend of the past 3 years toward importing more milled rice in the place of broken rice continued. In the 1964 period, 70 percent of the country's imports were of broken rice and 22 percent, milled; whereas prior to 1962, virtually all imports were of broken rice.

Of the 58,200 tons of broken rice imported, during January-July 1964, over half came from Cambodia, 40 percent from Thailand, and 7 percent from Egypt. No imports have come from Communist China since 1962, when it accounted for 22,100 tons.

The United States this year supplied over 14,000 of the 16,200 tons of milled rice imported.

SENEGAL'S RICE IMPORTS, BY COUNTRY

Country of origin	Average 1959-61	1962	1963	January-July 1963	January-July 1964
	1,000 metric tons	*1,000 metric tons*	*1,000 metric tons*	*1,000 metric tons*	*1,000 metric tons*
Milled:					
Egypt	0	0	4.9	0	2.0
United States	0	18.2	12.5	8.3	14.1
Other	.1	.2	[1]7.2	[1]7.0	.1
Total	.1	18.4	24.6	15.3	16.2
Broken:					
Burma	0	23.0	4.1	4.1	0
Cambodia	53.0	13.5	41.9	6.5	31.1
Communist China	20.7	22.1	0	0	0
Egypt	.7	0	5.7	0	4.0
Spain	5.0	5.8	3.9	3.9	0
Thailand	4.1	11.8	3.2	3.2	23.1
United States	6.0	0	0	0	0
Vietnam	15.8	10.2	16.6	10.4	([1])
Other	3.7	[2]13.3	.8	.8	0
Total	109.0	99.7	76.2	28.9	58.2
Total, all rice	109.1	118.1	100.8	44.2	74.4

[1] Includes 5,715 tons from Ecuador. [2] 11,312 from Mexico.
Commerce Exterieur du Senegal.

United States To Export Cotton to Italy

The U.S. Department of Agriculture announced on November 16 that it would consider applications from U.S. exporters to purchase upland cotton under the CCC credit sales program in connection with the export of cotton to Italy.

Credit will be extended for 36 months. However, for the 12-month period ending July 31, 1965, credit will be limited to the purchase of 200,000 bales or to one-half of the recent annual Italian imports of U.S. cotton when such imports amount to less than 400,000 bales. Italy imported 425,000 bales of U.S. cotton in the 1963-64 season. Purchase is on an in-warehouse basis; therefore, transportation, insurance, margins, and other costs are not extended under the CCC credit program.

Pakistani Cotton Crop May Be Smaller in 1964-65

Pakistan's 1964-65 cotton crop, grown on 3,670,000 acres, is currently estimated at 1,900,000 bales (480 lb. net), compared with the 1963-64 production of 1,940,000 bales on about the same acreage as a year ago. Widespread flooding in the Southern Zone of West Pakistan reportedly kept this season's outturn down.

Exports of cotton from Pakistan during the first 3 months (August-October) of the current season amounted to 15,293 bales, 6 percent less than the 16,276 shipped in the same period of 1963-64. Total exports for all of 1963-64 amounted to 689,000 bales, compared with 683,000 in 1962-63. Quantities shipped to principal destinations during August-October of the current season in 1,000 bales, with comparable 1963-64 figures in parentheses, were Hong Kong 25 (24), Japan 22 (14), Yugoslavia 7 (0), the United Kingdom 3 (2), and France 2 (1). During December-March 1963-64, Pakistan exported 247,000 bales to Mainland China, but so far, there has been no indication of China's buying intentions in Pakistan this season.

Recently Pakistan reached an agreement with the USSR to barter 160,000 bales of cotton for cement. In addition, India is reportedly negotiating for purchase of about 50,000 bales of cotton stapling, 1 inch or shorter, under a global import quota. It is expected that Pakistan will supply most of this quota. These factors, plus the threat of a slightly reduced crop, have kept prices for Pakistani cotton well maintained.

Uruguay Announces Export Taxes on Hides and Skins

Uruguay's National Council of Government in late 1964 issued a new decree adjusting export taxes on hides and skins in line with the November 24 increase in the official rate of the peso. (18.2 pesos now equal one U.S. dollar compared with the previous rate of 16.2.)

Peso values of the export taxes are practically unchanged from those formerly in effect. Apparently the decree was issued to encourage exporters to move supplies rather than to speculate on lower tax rates on future shipments. At the new dollar exchange rate, the export tax on pickled steer and cow hides is $63 per metric tons, and that for calf and heifer skins is $80.

Uruguay is a large world exporter of cattle hides and U.S. competitor in foreign sales of these products.

URUGUAY'S EXPORT TAXES ON HIDES AND SKINS

Class	Pesos per metric ton	Dollars per metric ton [1]
Dry sheep skins	3,097.0	170
Dry cattle hides	2,042.0	112
Salted and pickled hides:		
Steer and cow	1,151.2	63
Calf and heifer	1,460.7	80
Bull and ox	805.3	44
Steer and cow rejects	1,107.0	61
Calf and heifer rejects	1,349.4	74
Bull and ox rejects	712.2	39

[1] Official rate of 18.2 pesos per U.S. dollar which became effective November 24, 1964.

U.S. Meat Imports Continue Down

U.S. meat imports in October 1964 were 42 percent below those in the same month of 1963. This decline continued the downward trend characteristic of most of 1964.

Beef and veal imports in October totaled 53 million, off 49 percent from a year earlier. Imports of these products in the first 10 months of 1964 totaled 682 million pounds, down 28 percent from the 942 million pounds imported in the same period of 1963.

Pork imports showed practically no change from a year earlier.

Mutton imports continued to run well behind the previous year with small October arrivals. Imports for January-October 1964 totaled 31 million pounds, or 44 percent less than the 55 million imported in the same period of 1963.

Small arrivals of duty-free "carpet wools" in October 1964 brought the total wool imports in the first 10 months to 172 million pounds, down 28 percent from a year earlier.

October imports of cattle, at 45,000 head, were 21 percent below those in the same month of 1963. For the 10-month period, cattle imports were off 41 percent.

U.S. IMPORTS OF SELECTED LIVESTOCK PRODUCTS [1]

Commodity	October		January-October	
	1963	1964	1963 [1]	1964 [1]
Red meats:	*1,000*	*1,000*	*1,000*	*1,000*
Beef and veal:	*pounds*	*pounds*	*pounds*	*pounds*
Fresh & frozen, bone-in	1,989	2,569	16,464	14,270
Fresh & frozen, boneless	90,389	41,354	790,725	571,441
Canned, incl. corned	8,775	6,366	93,391	68,015
Pickled and cured	31	59	536	284
Beef sausage	466	367	1,022	4,275
Other beef	476	953	20,417	9,524
Veal, fresh and frozen	3,559	1,823	19,499	14,519
Total beef and veal	105,685	53,491	942,054	682,328
Pork:				
Canned hams and shoulders	12,944	12,262	116,729	115,899
Other pork	6,205	6,811	58,913	58,233
Total pork	19,149	19,073	175,642	174,132
Mutton and goat	1,460	638	54,947	30,596
Lamb	1,341	538	16,268	9,345
Other sausage	674	588	996	3,438
Total red meat	128,309	74,328	1,189,907	899,839
Variety meats	971	307	3,439	1,242
Wool (clean basis):				
Dutiable	5,484	6,375	92,480	76,697
Duty-free	14,700	6,781	146,350	95,134
Total wool	20,184	13,156	238,830	171,831
	1,000	*1,000*	*1,000*	*1,000*
Hides and skins:	*pieces*	*pieces*	*pieces*	*pieces*
Cattle	25	21	324	279
Calf	100	89	653	730
Kip	72	56	847	918
Buffalo	28	15	499	372
Sheep and kid	1,249	853	24,168	27,428
Goat and kid	1,250	863	12,624	11,387
Horse	22	19	367	313
Pig	82	114	794	1,315
	Number	*Number*	*Number*	*Number*
Live cattle [2]	57,225	45,430	649,554	382,368

[1] Owing to changes in the tariff schedule, statistics for 1963 and 1964 are not completely comparable. [2] Includes cattle for breeding. U.S. Department of Commerce, Bureau of the Census.

Uruguayan Meat Exports Rise

Uruguayan exports of meat to all countries in January-September 1963 totaled 246 million pounds, 88 percent more than those of a year earlier. The increase in exports reflects large numbers of cattle slaughtered this year and the strong demand for meat in European countries.

Exports of chilled beef this year, amounting to 58 million pounds, were up slightly, with the United Kingdom and Spain being the largest receivers. Exports of frozen beef were up sharply, with most of the increases going to

Germany, Italy, Poland, the Netherlands, and Spain. Exports of canned meat to both the United States and the United Kingdom were down sharply. Although still small—only 2 million pounds—shipments of frozen lamb and mutton were well above those in the 1963 period.

URUGUAYAN EXPORTS OF MEATS

Item and country	January-September 1963	January-September 1964
Beef:	*Mil. lb.*	*Mil. lb.*
Chilled:		
United Kingdom	44	46
Spain	9	10
Other	1	2
Total	54	58
Frozen:		
Germany	3	39
Italy	4	23
United Kingdom	20	21
Poland	0	19
Netherlands	2	15
Spain	3	15
Greece	4	5
Portugal	3	5
Israel	4	4
Czechoslovakia	6	3
Egypt	0	3
Other	3	15
Total	52	167
Canned:		
United States [1]	16	12
United Kingdom	7	2
Other	2	5
Total	25	19
Lamb and mutton:		
Frozen:		
Greece	([2])	1
Peru	([2])	1
Other	---	---
Total	([2])	2
Total red meat	131	246

[1] Including cooked frozen beef. [2] Less than 500,000 pounds.

Australian Meat Shipments to the United States

Two ships left Australia during late November with 1,106,560 pounds of beef for the United States.

Ship and sailing date	Destination [1]	Arrival date	Cargo	Quantity
	Eastern ports			*Pounds*
Coral Sea [2]	Charleston	Dec. 20	Beef	67,200
Nov. 25	Philadelphia	23	Beef	91,840
	New York	25	Beef	573,440
	Boston	29	Beef	228,480
	Western ports			
Monterey	San Francisco	Dec. 17	Beef	60,480
Nov. 30	Los Angeles	21	Beef	85,120

[1] Cities listed indicate location of purchaser and usually the port of arrival and distribution area, but meat may be diverted to other areas for sale. [2] In addition to amounts reported in *Foreign Agriculture*, Jan. 4, 1965.

Pakistan Resumes Tea Exports

During the latter part of 1964, the Pakistani Government authorized the export of 4 million pounds of tea. This export—the first since November 1962—was made possible by the bumper tea crop last year.

Through October of 1964, production had totaled 52.1 million pounds, 7.1 million ahead of the same 1963 period and approaching the calendar 1963 total of 55 million.

Pakistan's previous record harvest was in 1961—58.5 million pounds. Exports were prohibited, however, in the following year, when the harvest was small, and consumption requirements on the rise.

Yugoslav Hemp Exports Down in 1964

Exports of hemp and hemp tow from Yugoslavia during the first 8 months of 1964 totaled 15.3 million pounds valued at $1.2 million, compared with exports of 19.3 million pounds valued at $1.5 million during the same period of 1963. Shipments to traditional markets—Italy, West Germany, and Austria—were down from the 1963 level, while sales to Czechoslovakia, East Germany, and the United States increased. Exports of hemp and tow in calendar 1963 amounted to 28.1 million pounds, valued at $2 million.

South Vietnam Opens Second Jute Plant

South Vietnam recently opened its second jute factory, which has 58 looms and 400 spindles. The other jute factory has 57 looms and 1,456 spindles.

This new factory is to take care of the country's increasing production of jute, which has risen from about 300,000 pounds in 1957 to an estimated 2.9 million in 1963.

Commonwealth Sugar Arrangements Made

The British Government recently announced arrangements for price and quantity of 1965 sugar imports under the Commonwealth Sugar Agreement.

The government will pay £42 a ton f.o.b. (5¼ U.S. cents per lb.) for sugar from all territories and will make an additional special payment to the less-developed members of the Agreement.

Quantities of sugar to be bought by the British Government in 1965 (in long tons) are as follows: Australia 335,000, British Honduras 20,500, East Africa (Kenya, Uganda and Tanzania) 7,000, Fiji 140,000, Mauritius 380,000, Swaziland 85,000, West Indies and British Guiana 725,000. Britain ranks second to the United States in imports of sugar.

The Agreement was also extended for another year and will now run until the end of 1972. Member countries reaffirmed their intention to work together for a realistic Internationl Sugar Agreement.

Nigerian Cocoa Sheds Under Construction

Facilities costing $5.6 million for the storage, handling and fumigation of 72,000 long tons of cocoa beans are being built at Ikeja, Nigeria. The first of six sheds, each with a 12,000-ton capacity, is expected to be completed by the spring of 1965. The other sheds are scheduled for completion later in the year or by early 1966. Nigeria is the world's second largest producer of cocoa beans and is a member of the Cocoa Producers Alliance.

Canadian Leaf Tobacco Usings Up Slightly

Usings of leaf tobacco by Canadian manufacturers during the first 9 months of 1964, at 98.6 million pounds, were up slightly from the 97.7 million used during the same period last year. Larger usings of cigar leaf and of the dark air- and fire-cured types more than offset declines in the other types.

Usings of cigar leaf, at 7.7 million pounds, were up 24 percent from the 6.2 million pounds of January-September 1963. Usings of dark air- and fire-cured types were up 6 percent, whereas burley was down 14 percent and flue-

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cured was only slightly under the 87.1 million pounds used during the corresponding period of 1963.

Stocks of unmanufactured tobaccos (domestic and imported types) on September 30, 1964, totaled 222.5 million pounds, down slightly from the 225.0 million held on the same date last year. Stocks of flue-cured showed virtually no change from the 197.1 million pounds held a year ago. However, stocks of burley were down in excess of 4 percent and those of cigar leaf were down almost 12 percent.

Output of cigars during the first 9 months of 1964 totaled 369 million pieces, compared with 277 million during the same period last year. Production of snuff also rose, to 625,000 pounds from 605,000; but cigarette output dropped to 29.3 billion pieces from 30.0 billion. Production of both smoking mixtures (cut tobacco) and chewing tobaccos (plug and twist) was down, 7 and 31 percent, respectively.

Paraguay Ships Out More Tobacco

Paraguay's exports of unmanufactured tobacco during the first 10 months of 1964 totaled 21.5 million pounds and were almost 50 percent larger than the 14.7 million shipped abroad during the same period last year.

Exports for all of calendar 1964 are expected to exceed the 1963 figure of 22.1 million pounds but to be under the previous 1962 record of 26.2 million.

Dutch Tobacco Imports

Imports of unmanufactured tobacco into the Netherlands during January-September 1964 totaled 69.5 million pounds. Principal suppliers included the United States 20 million pounds, Indonesia 9.8 million, Rhodesia 9.6 million, and Brazil 6.6 million.

Other important suppliers to the Dutch tobacco market in the first 9 months of 1964 were the Republic of South Africa, India, Italy, the Dominican Republic, Paraguay, the Philippines, and Turkey.

WORLD CROPS AND MARKETS INDEX